IN THE SPECIFICATION

Please replace the paragraphs 12, 19, 20 and 32 on pages 4, 7, 8 and 13, respectively, with the following new paragraph:

[0012] In the exemplary embodiment of the fair fare system the rail transit exit gates, parking lot equipment, at bus fare boxes are configured to include localized best fare processing. Each structure, i.e., transit gates, bus fare boxes, and parking lot equipment, receives a list of best fare options from the transit central computer and utilizes the information together with the travel information stored on a patron's smart card to determine whether the patron is entitled to a best fare award. The results of the analysis are sent to the mass transit central computer for storage in a transaction summary database.

[0019] A fair fare system 100 and method of the present invention is implemented by best fare processing devices 142 including a transit program transaction data summary database 102, a fair fare analysis parameters database 104, a transaction data analyzer 108, an adjustor for complex fares 110, and a localized value load lists processor 112. The existing transit authority mass transit devices, i.e., vendors 114, rail gates 28, bus fare boxes 30, and parking lot equipment 32, are configured to include a best fare processor 42, 44, 46 which stores the current best fair information applicable to the particular mass transit device and which determines whether a patron is eligible to be awarded a best fare each time the patron passes through any of the devices 28, 30, 46.

[0020] The fare instrument utilized for implementing the present invention is a smart card which is presented by the patron to the smart card reader/writer 40

located on the mass transit devices 28, 30, 32 and vendors 114. Smart cards provide relatively large storage capacities that are required by the best fare system 100. A typical smart card for use in the fair fare system 100 of the preferred embodiment has a data storage capacity of 1,680 usable bytes, which is equivalent to approximately one half of a printed page. A current program such as *SmarTrip*® uses approximately 80 bytes, or 5%, of that capacity. The fair fare system together with an auto load system for automatically loading a pre-determined fare value to a card, brings the total required storage capacity to approximately 180 bytes, or about 12% of the capacity of a typical smart card. Thus, ample storage capacity remains on the smart card for further expansion and addition of transit authority programs.

[0032] In a preferred method for implementing a transit system best fare program, a best fare analysis parameter database 104 stores the price points tables for the various transit system devices 28, 30, 32. This database 104 is updated and maintained by the transit authority through the central computer 140. A transit program transaction data summary database 102 records the patrons transit activities from the transit devices 28, 30, 32 through the connection to the central computer 140. The patron's entitlement to adjustments are analyzed periodically by a transaction data analyzer 108 which identifies whether the patron has met the criteria for a multi-mode, multi-operator or longer term pass. A patron meeting the criteria is awarded an adjustment 110 to the monetary value of their smart cards which is recorded in the benefits database 118, and loaded automatically to the smart cards at the transit gates 28, 30, 32 or at a vendor 114. Although the award is delayed, it does allow a transit authority to achieve a more complex and data intensive fare policy.